



# Local Government Act 2003

## 2003 CHAPTER 26

### PART 1

#### CAPITAL FINANCE ETC AND ACCOUNTS

#### CHAPTER 1

#### CAPITAL FINANCE ETC

#### *Capital receipts*

### 9 “Capital receipt”

- (1) Subject to subsection (3), references in this Chapter to a capital receipt, in relation to a local authority, are to a sum received by the authority in respect of the disposal by it of an interest in a capital asset.
- (2) An asset is a capital asset for the purposes of subsection (1) if, at the time of the disposal, expenditure on the acquisition of the asset would be capital expenditure.
- (3) The Secretary of State may by regulations—
  - (a) make provision for the whole of a sum received by a local authority in respect of the disposal by it of an interest in a capital asset, or such part of such a sum as may be determined under the regulations, to be treated as not being a capital receipt for the purposes of this Chapter;
  - (b) make provision for the whole of a sum received by a local authority otherwise than in respect of the disposal by it of an interest in a capital asset, or such part of such a sum as may be determined under the regulations, to be treated as being a capital receipt for the purposes of this Chapter.
- (4) Where a sum becomes payable to a local authority before it is actually received by the authority, it shall be treated for the purposes of this section as received by the authority when it becomes payable to it.

*Changes to legislation: Local Government Act 2003, Cross Heading: Capital receipts is up to date with all changes known to be in force on or before 06 April 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

#### Commencement Information

- I1** S. 9 in force at 27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004 by [S.I. 2003/3034, art. 2, Sch. 1 Pt. I](#) (with [Sch. 2 para. 3](#))
- I2** S. 9(1)(2)(4) in force at 1.4.2004 for E. by [S.I. 2003/2938, art. 7\(b\)](#) (with [art. 8, Sch.](#))
- I3** S. 9(3) in force at 18.11.2003 for E. by [S.I. 2003/2938, art. 3\(a\)](#) (with [art. 8, Sch.](#))

## 10 Non-money receipts

- (1) The Secretary of State may by regulations apply section 9 to cases where—
  - (a) a local authority makes a disposal of the kind mentioned in subsection (1) of that section and the consideration for the disposal does not consist wholly of money payable to the authority, or
  - (b) a local authority receives otherwise than in the form of money anything which, if received in that form, would be a capital receipt under that section.
- (2) Regulations under subsection (1) may, in particular—
  - (a) make provision for a local authority to be treated as receiving a sum of such an amount as may be determined under the regulations;
  - (b) make provision about when the deemed receipt is to be treated as taking place.

#### Commencement Information

- I4** S. 10 in force at 18.11.2003 for E. by [S.I. 2003/2938, art. 3\(a\)](#) (with [art. 8, Sch.](#))
- I5** S. 10 in force at 27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004 by [S.I. 2003/3034, art. 2, Sch. 1 Pt. I](#) (with [Sch. 2 para. 3](#))

## 11 Use of capital receipts

- (1) The Secretary of State may by regulations make provision about the use of capital receipts by a local authority.
- (2) Regulations under subsection (1) may, in particular—
  - (a) make provision requiring an amount equal to the whole or any part of a capital receipt to be used only to meet—
    - (i) capital expenditure, or
    - (ii) debts or other liabilities;
  - (b) make provision requiring an amount equal to the whole or any part of a capital receipt to be paid to the Secretary of State.
- (3) The power under subsection (1), so far as relating to provision of the kind mentioned in subsection (2)(b), shall only apply to receipts which a local authority derives from the disposal of an interest in housing land.
- (4) The reference in subsection (3) to housing land is to any land, house or other building in relation to which the local authority is, or has been, subject to the duty under section 74 of the Local Government and Housing Act 1989 (c. 42) (duty to keep Housing Revenue Account).

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(5) Regulations under subsection (1) may include provision authorising the Secretary of State to set off any amount which an authority [<sup>F1</sup>in Wales] is liable to pay to him under this section against any amount which he is liable to pay to it.

[<sup>F2</sup>(5A) Where the Secretary of State is liable to repay an amount that has been overpaid by a local housing authority in England under this section, the Secretary of State may set off against the amount of the repayment any amount that the authority is liable to pay the Secretary of State under—

- (a) this section, or
- (b) section 69 of the Housing and Planning Act 2016 (payments in respect of vacant higher value housing).]

[<sup>F3</sup>(6) The Secretary of State and a local authority in England may enter into an agreement with the effect that a requirement imposed under subsection (2)(b) does not apply to, or is modified in its application to, capital receipts of the authority that are specified or described in the agreement.]

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#### Textual Amendments

- F1** Words in s. 11(5) inserted (12.5.2016) by [Housing and Planning Act 2016 \(c. 22\)](#), **ss. 78(2)**, 216(1)(b)  
**F2** S. 11(5A) inserted (12.5.2016) by [Housing and Planning Act 2016 \(c. 22\)](#), **ss. 78(3)**, 216(1)(b)  
**F3** S. 11(6) inserted (15.11.2011) by [Localism Act 2011 \(c. 20\)](#), **ss. 174**, 240(5)(n)
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#### Commencement Information

- I6** S. 11 in force at 18.11.2003 for E. by [S.I. 2003/2938](#), **art. 3(a)** (with [art. 8](#), [Sch.](#))  
**I7** S. 11 in force at 27.11.2003 for W. for the purpose of and in relation to financial years beginning on or after 1.4.2004 by [S.I. 2003/3034](#), **art. 2**, **Sch. 1 Pt. 1** (with [Sch. 2 para. 3](#))

**Changes to legislation:**

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**Changes and effects yet to be applied to the whole Act associated Parts and Chapters:**

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 18(2A) inserted by [2007 c. 28 Sch. 14 para. 5\(2\)\(b\)](#)
- s. 24(1) s. 24 renumbered as s. 24(1) by [2007 c. 28 Sch. 14 para. 5\(3\)](#)
- s. 24(2) inserted by [2007 c. 28 Sch. 14 para. 5\(3\)](#)